

Rupnik, Stan

From: Seth Lehr [slehr@llrpartners.com]
Sent: Thursday, May 20, 2004 9:09 AM
To: Parrish, Scott
Cc: Larry Hollin
Subject: Re: LLR Equity Partners II

Scott, as a follow-up to my e-mail I have asked Larry Hollin to speak with the Shelly Pekin to coinfirm to whom he spoke at your organization and the date. Seth

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Parrish, Scott <sparrish@TRS.STATE.IL.US>
To: Seth Lehr <slehr@llrpartners.com>
Sent: Thu May 20 09:50:58 2004
Subject: RE: LLR Equity Partners II

Seth -

Do you recall how the arrangement with Sheldon Pekin was disclosed to us? I was looking in the due diligence package you sent us and I didn't see anything in it.

Thanks,
Scott

-----Original Message-----

From: Seth Lehr [mailto:slehr@llrpartners.com]
Sent: Wednesday, May 19, 2004 11:23 AM
To: Parrish, Scott
Cc: Howard Ross; Larry Hollin
Subject: RE: LLR Equity Partners II

Scott,
Question 12 asked whether the "firm" has any arrangement in place to pay a fee with respect to an "engagement". We took "engagement" to mean helping identify potential investment opportunities for the fund as compared to potential investors in the fund. And as you read our response that is clearly how we answered the question. The Pekin's arrangement with us has always been disclosed to you and on the table and we in no way have tried to hide it as they have had many conversations with both of us regarding your potential investment. We took the parenthetical comment in question 12 as addressing that point and believed that since their involvement had already been disclosed to you, at the appropriate time you ("staff") would notify the System of the arrangement prior to approval of the investment. If question 12 had asked for us to notify the System in writing we would have done so. And in any event, through the side letter we have done so, as we always expected to do. And thus the specific disclosure in writing now. Hopefully that clears up any question you might have. If there is a misunderstanding regarding question 12 on our part, I apologize. But we truly believe we answered it correctly and in the spirit in which it was intended. If you have any further questions, please call at anytime..
Seth

From: Parrish, Scott [mailto:sparrish@TRS.STATE.IL.US]
Sent: Wednesday, May 19, 2004 11:29 AM
To: Seth Lehr
Subject: FW: LLR Equity Partners II

Seth -

I have a question. On the questionnaire filled out by your firm, why was this not listed under Question 12?

Thanks,
Scott

-----Original Message-----

From: Eileen Mohan [mailto:EMOHAN@klehr.com]
Sent: Wednesday, May 19, 2004 10:12 AM
To: Parrish, Scott
Cc: lhollin@llrpartners.com; slehr@llrpartners.com
Subject: LLR Equity Partners II

Scott,

This e-mail serves to provide you with written notification, on behalf of LLR Capital II, L.P., that if Teachers' Retirement System of the State of Illinois becomes a limited partner in LLR Equity Partners II, L.P. (the "Fund"), the Fund's management company (or its affiliate) is obligated to pay to Sheldon Pekin a fee equal to 1% of the capital contributed to the Fund by Illinois Teachers.

Keith